GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:969
ANSWERED ON:04.12.2015
Losses Incurred by Banks
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Will the Minister of FINANCE be pleased to state:

(a) whether losses of Cooperative, Public and Private Sector Banks have increased during the last three years and the current year;

(b) if so, the details thereof, State, bank and year-wise;

(c) whether some of the banks have failed to return the investors money during the said period;

(d) If so, the details thereof, Bank and State-wise; and

(e) The remedial steps taken/being taken by the Government to protect the interest of customers in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): Bank-wise data for Public Sector, Private Sector, foreign and state/district cooperative banks on net profit for last three years are given in Annex-I. It is observed that during the last two financial years ended Mar-14 and Mar-15, net profit has decreased for PSBs. The losses of all loss making State Cooperative Banks (StCBs) put together increased during 2013-14, but decreased during the year 2014-15 while overall net loss for all District Central Cooperative Banks(DCCBs) put together increased during 2014-15 vis-Ã -vis 2013-14.

(c) & (d): 23 Unlicensed Central Cooperative Banks (CCBs) in 4 States have been facing severe liquidity issues and were finding it difficult to honour depositors' claims. Complaints were received against Basti DCCB and Sultanpur DCCB in Uttar Pradesh regarding non-honouring of depositors' claims. A statement containing the names of 23 unlicensed CCBs is enclosed as Annex- II.
Gajanan Nagarik Sahakari Bank has reported non-payment of deposit by Beed DCCB in Maharashtra. Beed DCCB has since reported having paid part amount and the balance is being repaid in instalments.

(e): With a view to protect the interests of depositors in the area of operation of these 23 unlicensed DCCBs, GoI had announced a Special Revival Package for the 23 unlicensed DCCBs operating in 4 States (16 in UP, 3 in Maharashtra, 3 in J&K and one in West Bengal) amounting to Rs.2,375.42 crore, in November 2014. As per scheme, recapitalization assistance was released between March and August 2015 by GoI and State Govt to 20 DCCBs in 3 States viz., UP, Maharashtra and West Bengal.
The State Govt of J&K, DFS, GoI and NABARD have signed a MoU on 04 November 2015 for revival of 3 DCCBs in J&K.

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